



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

July 19, 2000

Frank G. Stevenson Jr., Treasurer
The Loose Group
3165 Brandy Station
Atlanta, GA 30339

RE: MUR 5044
The Loose Group and
Frank G. Stevenson Jr., as treasurer

Dear Mr. Stevenson:

On July 13, 2000, the Federal Election Commission found that there is reason to believe The Loose Group and you, as treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(iii) and (iv), provisions of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing probable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Donald E. Campbell, the staff member assigned to this matter, at (202) 694-1650.

Sincerely,



Darryl R. Wold
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

The Loose Group is a political committee not authorized by any candidate, and has elected to report on a quarterly basis. The Committee's treasurer is Frank G.

Stevenson Jr. The Committee's 1997 Mid-Year Report was due on July 31, 1997, and the 1997 Year-End Report was due on January 31, 1998. 2 U.S.C. § 434(a)(4)(A)(iv). Pursuant to 2 U.S.C. § 434(a)(4)(A)(iii), the Committee's 1998 30 Day Post-General Report was due on December 3, 1998. The Commission notified the Committee on December 30, 1996 of all reports required to be filed for 1997, and notified the Committee on December 29, 1997 of all reports required to be filed for 1998.

1997 Mid-Year Report

On December 30, 1996, and July 7, 1997, the Commission notified the Committee that the 1997 Mid-Year Report was due on July 31, 1997. The Committee filed its 1997 Mid-Year Report on August 28, 1997, 28 days late, disclosing receipts of \$18,369.77 and disbursements of \$2,500.00.

1997 Year End Report

On December 30, 1996, and December 29, 1997, the Commission notified the Committee that the 1997 Year End Report was due on January 31, 1998. The Committee filed its 1997 Year End Report on February 24, 1998, 24 days late, disclosing receipts of \$17,856.14 and disbursements of \$30,720.50.

1998 30 Day Post-General Report

On December 29, 1997, September 30, 1998, and November 5, 1998, the Commission notified the Committee that the 1998 30 Day Post-General Report was due on December 3, 1998. The Committee filed its 1998 30 Day Post-General Report on January 7, 1999, 35 days late, disclosing receipts of \$40,315.03 and disbursements of \$41,295.92.

Therefore, there is reason to believe that The Loose Group and Frank G. Stevenson Jr., as treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(iii) and (iv).